



DEPARTMENT OF COMMERCE

Billing Code 3510-33

Bureau of Industry and Security

[Docket No. 190912-0026]

RIN: 0694-XC055

National Defense Stockpile Market Impact Committee Request for Public Comments on the Potential Market Impact of the Proposed Amendment to Fiscal Year 2020 Annual Materials Plan and the Proposed Fiscal Year 2021 Annual Materials Plan

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Notice of inquiry; request for comments.

SUMMARY: The purpose of this notice is to request public comments on the potential market impact of a proposed amendment to the Fiscal Year 2020 National Defense Stockpile Annual Materials Plan (AMP) and the proposed Fiscal Year 2021 National Defense Stockpile AMP. Changes to the AMP are discussed and decided by the National Defense Stockpile Market Impact Committee, co-chaired by the Departments of Commerce and State. The role of the Market Impact Committee is to advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions, conversions, and disposals involving the stockpile and related material research and development projects. Public comments are an important element of the Committee's market impact review process.

DATES: To be considered, written comments must be received by **[INSERT DATE 30 DAYS**

AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Comments on this rule may be submitted to the Federal rulemaking portal (www.regulations.gov). The regulations.gov ID for this rule is: BIS-2019-0024. All relevant comments (including any personally identifying information) will be made available for public inspection and copying.

FOR FURTHER INFORMATION CONTACT: Parya Fenton, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, telephone: (202) 482-8228, fax: (202) 482-5650 (Attn: Parya Fenton), e-mail: MIC@bis.doc.gov. All questions submitted through e-mail must include the phrase “Market Impact Committee Notice of Inquiry” in the subject line.

SUPPLEMENTARY INFORMATION:

Background

Under the authority of the Strategic and Critical Materials Stock Piling Revision Act of 1979, as amended (the Stock Piling Act) (50 U.S.C. 98 et seq.), the Department of Defense’s Defense Logistics Agency (DLA), as National Defense Stockpile Manager, maintains a stockpile of strategic and critical materials to supply the military, industrial, and essential civilian needs of the United States for national defense. Section 9(b)(2)(G)(ii) of the Stock Piling Act (50 U.S.C. 98h(b)(2)(H)(ii)) authorizes the National Defense Stockpile Manager to fund material research and development projects to develop new materials for the stockpile.

Section 3314 of the National Defense Authorization Act for Fiscal Year 1993 (FY 1993

NDAA) (50 U.S.C. 98h-1) formally established a Market Impact Committee (the Committee) to “advise the National Defense Stockpile Manager on the projected domestic and foreign economic effects of all acquisitions and disposals of materials from the stockpile....” The Committee must also balance market impact concerns with the statutory requirement to protect the U.S. Government against avoidable loss.

The Committee is comprised of representatives from the Departments of Commerce, State, Agriculture, Defense, Energy, Interior, the Treasury, and Homeland Security, and is co-chaired by the Departments of Commerce and State. The FY 1993 NDAA directs the Committee to consult with industry representatives that produce, process, or consume the materials stored in or of interest to the National Defense Stockpile Manager.

As the National Defense Stockpile Manager, the DLA must produce an Annual Materials Plan (AMP) proposing the maximum quantity of each listed material that may be acquired, disposed of, upgraded, converted, recovered, or sold by the DLA in a particular fiscal year. In Attachment 1, the DLA lists the quantities of three materials it wishes to acquire for the National Defense Stockpile that were not included in the previously approved Fiscal Year (FY) 2020 AMP. Attachment 1 also lists three materials the DLA is targeting for disposals from the National Defense Stockpile that were likewise not included in the previously approved FY 2020 AMP. The quantities listed for potential disposal in Attachment 1 are not disposal or sales target quantities, but rather a statement of the proposed maximum disposal quantity of each listed material that may be sold in a particular fiscal year by the DLA as noted. The quantity of each material that will actually be offered for sale will depend on the market for the material at the time of the offering as well as on the quantity of each material approved for disposal by Congress. The

DLA is seeking this amendment to the FY 2020 AMP to respond to changing market and other conditions that were not foreseen when the AMP was first submitted.

In Attachment 2, the DLA lists the quantities and types of activity (potential disposals, potential acquisitions, potential conversions (upgrade, rotation, reprocessing, etc.) or potential recovery from government sources) associated with each material in its proposed FY 2021 AMP. The quantities listed in Attachment 2 are not acquisition, disposal, upgrade, conversion, recovery, reprocessing, or sales target quantities, but rather a statement of the proposed maximum quantity of each listed material that may be acquired, disposed of, upgraded, converted, recovered, or sold in a particular fiscal year by the DLA, as noted. The quantity of each material that will actually be acquired or offered for sale will depend on the market for the material at the time of the acquisition or offering, as well as on the quantity of each material approved for acquisition, disposal, conversion (upgrade, rotation, reprocessing, etc.), or recovery by Congress.

The Committee is seeking public comments on the potential market impact associated with the proposed amendment to the FY 2020 AMP and proposed FY 2021 AMP as enumerated in the Attachments. Public comments are an important element of the Committee's market impact review process.

Submission of Comments

The Committee requests that interested parties provide written comments, supporting data and documentation, and any other relevant information on the potential market impact of the quantities associated with the proposed amendment to the FY 2020 AMP and the proposed FY 2021 AMP. All comments must be submitted to BIS as described in the ADDRESSES section of

this notice. Commenters should indicate whether their comment is related to the proposed amendment to the FY 2020 AMP or the proposed FY 2021 AMP.

The Committee encourages interested persons who wish to comment to do so at the earliest possible time. The period for submission of comments will close on **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. The Committee will consider all comments received before the close of the comment period. Comments received after the end of the comment period will be considered, if possible, but their consideration cannot be assured.

Anyone submitting business confidential information should clearly identify the business confidential portion of the submission and also provide a non-confidential submission that can be placed in the public record. The Committee will seek to protect such information to the extent permitted by law.

Dated: September 12, 2019.

Richard E. Ashooh,

Assistant Secretary for Export Administration.

Attachment 1

PROPOSED AMENDMENT TO FISCAL YEAR 2020 ANNUAL MATERIALS PLAN

Proposed Acquisitions

Material	Unit	Quantity
Neodymium	MT	40
Rare Earth Magnet Block	MT	18.5
Praseodymium	MT	14

Proposed Disposals

Material	Unit	Proposed Revised Quantity
Cobalt	Lbs	666,792
Quartz Crystals	Lbs	15,759
Tin	MT	804

Attachment 2

PROPOSED FISCAL YEAR 2021 ANNUAL MATERIALS PLAN

Potential Disposals

Material	Unit	Quantity	Footnote
Beryllium Metal	ST	8	
Chromium, Ferro	ST	24,000	
Chromium, Metal	ST	500	
Germanium Scrap	kg	3,000	
Manganese, Ferro	ST	50,000	
Manganese, Metallurgical Grade	SDT	322,025	
Aerospace Alloys	Lbs	1,500,000	
Platinum	Tr Oz	8,380	
PGM – Iridium	Tr Oz	489	
Quartz Crystals	Lbs	15,759	
Tantalum Carbide Powder	Lb Ta	3,777	
Tantalum Scrap	Lbs	190	
Tin	MT	4,034	
Titanium Based Alloys	Lbs	600,000	
Tungsten Metal Powder	LB W	275,741	
Tungsten Ores and Concentrates	LB W	3,000,000	
Zinc	ST	7,993	

Potential Acquisitions

Material	Unit	Quantity
Antimony	MT	1,100

Boron Carbide	MT	1,000
High Modulus High Strength Carbon Fibers	MT	72
Carbon Fibers	Lbs	5,000
Cerium	MT	500
Dysprosium	MT	20
Electrolytic Manganese Metal	MT	5,000
Lanthanum	MT	1,300
Neodymium	MT	600
Praseodymium	MT	70
Rare Earth Magnet Block	MT	100
Rayon	MT	600
RDX/HMX/IMX/TNT	Lbs	7,000,000
Samarium Cobalt Alloy	MT	50
Silicon Carbide Fibers	Lbs	875
Tantalum	Lb Ta	33,990
Tungsten Rhenium Metal	kg	5,000
Yttrium	MT	600

Potential Conversions (Upgrade, rotation, reprocessing, etc.)

Beryllium Metal	ST	8
CZT (Cadmium Zinc Tellurium substrates)	cm ²	32,000
High Modulus High Strength Carbon Fibers	MT	72
Europium	MT	35
Germanium (Scrap)	kg	5,000

Iridium Catalyst	Lbs	50
Lithium Ion Materials	MT	25
Rare Earths Elements	MT	12
Silicon Carbide Fibers	Lbs	875
Tin	MT	804

Potential Recovery from Government sources

Bearing Steel	MT	50	
E-Waste	MT	50	1/
Gadolinium Oxide	MT	4	
Germanium (Scrap)	kg	5,000	
Iridium Catalyst (Scrap)	Lbs	50	
Lithium Ion Materials	MT	25	
Magnesium Metal	MT	25	
Rhenium Metal	kg	500	
Aerospace Alloys	Lbs	1,500,000	
Tantalum	MT	10	
Yttrium Aluminum Garnet Rods (Scrap)	kg	250	
Zirconia Oxide	MT	4	

Footnote Key:

1/ Strategic and Critical Materials collected from E-Waste (Strategic Materials collected from electronics waste)

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